

WEEEEKLY HOLDS UPDATE

Week 07-14 December 2001

Prepared by: Office of Iraq Programme
Contracts Processing & Monitoring Division (CPMD)

HIGHLIGHTS:

- **New holds seven times higher than releases, temporary "pending consideration holds" being very high**
- **A US\$15.0M application for medicine raw materials released from hold**
- **Two applications for water tankers worth \$40.0M placed on hold**
- **More applications placed on hold for end-use/user information**

1. The holds stand at **US\$4,626.0 million** this week, to include US\$252.8M in "inactive hold" category. The grand total is higher by some US\$120.0 million than the previous week total of US\$4,505.0M.

2. As of last week, there were 142 applications worth some US\$246.2 million in the category of inactive holds. This week the value and the number of applications in this category stand at **161 applications worth US\$252.8 million**, a slight increase in comparison to previous weeks. At the same time, the number of applications for which a feedback from the holding mission is due in excess of 60 days has been progressively increasing and now stands at **353 applications worth US\$1,127.0M** (340 worth US\$1086.0M previous week).

3. The total number of applications on hold ("active") is **1,610 (to include 1,072 humanitarian and 538 oil spare parts applications)** or 23 more than 1,587 last week. The relative value of holds has also increased somewhat with **17.5 percent** of the total value circulated to the Committee or **13.6 per cent** of the value circulated to the Committee AND approved by OIP based on pre-approved lists (17.3 and 13.3 respectively during the previous week).

4. **GENERAL TRENDS:** While there were more releases last week than in the previous weeks, the total value placed on hold was more than 10 times higher than the value released. This was due to several high-value applications placed on hold as well as due to a number of applications placed on hold for "pending further consideration" only. One can only hope that most, if not all, applications in the latter category will be released from hold shortly.

5. **HIGH-VALUE APPLICATION FOR MEDICINES RAW MATERIAL RELEASED FROM HOLD: Comm.1000518(M) worth US\$15.0M** was released from hold last Monday. The application had been on hold since 23/10/01 for information on several raw materials.

6. TWO HIGH-VALUE APPLICATIONS FOR WATER-TANKERS PLACED ON HOLD: Two applications worth total of \$40.0M were placed on hold in water-sanitation sector. Please note that in both cases detailed end-use/user information was requested:

901967(WS)	\$26.3M	Water tankers	PFE, EU/EU
1001134(WS)	\$13.75M	Water Tankers	Specs on pumps, valves, EU/EU

7. NUMEROUS APPLICATIONS PLACED ON HOLD FOR “PENDING FURTHER CONSIDERATION”: An unusual number of applications was placed on hold for “pending further consideration” (only or in combination with other reasons) during the last week, possibly due to holidays. Nevertheless, this contributed to the high total of new holds during the period. High-value applications placed on hold for that reason only included:

101161(M)	\$17.13M	Medical Equipment
901066(SA)	\$16.17M	Compact Units
1001179(A)	\$10.1M	Sprinkler Irrigation System
1001166(Q)	\$6.49M	Fabrics
901673(A)	\$3.2M	Irrigation System

8. A NUMBER OF APPLICATIONS AGAIN PLACED ON HOLD FOR END-USE/USER INFORMATION: Total of 19 applications worth US\$76.4M were placed on hold for end-use/user information (alone or in combination with other reasons) thus confirming the trend observed in the past couple of weeks. Most of the goods in this category are various trucks or related parts (tires, batteries). It would appear that some members of the Committee would like to know if the quantities ordered are justified for civilian purposes. Please note that we expect SWGs to be actively involved in providing the required information, namely explanation of purpose for the goods highlighted, justification of quantities ordered and provision of allocation plans. Apart from the tankers mentioned in para 6 above, the following applications were placed on hold last week for this particular reason:

1001196(Q)	\$10.6M	Tires	Detailed EU/EU info
1001154(E)	\$ 7.6M	Vocational eq.	Specs on lathe, EU/EU
1001148(T)	\$ 4.9M	Dump Truck	Specs on pumps, tools, EU/EU
1001197(T)	\$ 3.8M	Trucks	(as above)
930621(O)	\$ 1.29M	Trailer Truck	Specs on pumps, valves, EU/EU
1030089(O)	\$ 1.1M	Tractive Unit Truck	Dual use, EU/EU
1001167(H)	\$ 1.05M	Forklifts	PFE, EU/EU
1000765(A)	\$ 1.04M	Trucks	Detailed EU/EU info
901874(T)	\$ 0.98M	Water tanker	PFE, EU/EU
1001114(E)	\$ 0.85M	Lab Eq.	1051 items, EU/EU
801765(T)	\$ 0,78M	Tires	EU/EU
802509(A)	\$ 0.59M	Gensets	Dual Use, EU/EU info
101149(H)	\$ 0.55M	Water tanker	PFE, EU/EU
702586(L)	\$ 0.42M	Generators	Tech specs, EU/EU
1001030(Q)	\$ 0.39M	Refrigerated Truck	WMD dual use, EU/EU
1001127(SA)	\$ 0.39M	Grader Spares	Specs on valves, pumps, EU/EU
1001100(WS)	\$ 0.04M	Batteries	PFE, EU/EU

9. The total of **14 applications worth US\$19.8M** were released last week, to include one on hold only for 1 day. Apart from the high value comm.1000518 (\$15.0M), the releases, *inter alia*, included:

802771(A)	\$1.48M	Steel Pipes
901193(Q)	\$0.84M	Lab sifter
802763(T)	\$0.62M	Fork Lifts
801867(M)	\$0.37M	Spare Parts for Medical Equipment
930525(O)	\$0.09M	Water Taker
10030103(O)	\$0.04M	Radio Equipment (1 day hold)

10. Total of **57 applications worth US\$140.6M** were placed on hold during the last week. The relevant comms have already been listed in para 6 and 7 above.